

**ARKANSAS PROFESSIONAL BAIL BOND COMPANY AND PROFESSIONAL  
BAIL BONDSMAN LICENSING BOARD**

**August 13, 2004**

Chairman Don Smith called the meeting to order at 9:00 a.m.

Roll call was taken and the following members were present: Don Smith, Frank Sturgeon, Eugene Reynolds, Phyllis Carruth, Rex Morris, Marc Oudin, and Xollie Duncan. Also present were Assistant Attorney General, Lori Freno, Executive Director, Tommy Reed, Board staff and members of the audience.

Following a review of the Board Minutes for July 9, Sturgeon moved to approve. Oudin seconded. The motion carried.

**OLD BUSINESS**

**License Approvals:**

Five (5) non-controversial license applications and six (6) non-controversial tentative license applications were submitted for Board approval. Oudin moved to approve the license applications as presented pending receipt of necessary documentation. Reynolds seconded. The motion carried.

**Transfers:**

Reed advised the Board the list of transferring agents had been provided for informational purposes; that there seemed to be confusion regarding proper policy and procedure regarding transfers; and that the topic was addressed later in the day's agenda.

**Forfeitures:**

Reed presented the Forfeiture Report for the Board's information and requested the Board's approval to suspend those licensees who failed to pay their forfeitures timely. Carruth moved to suspend any licensee whose forfeitures were not timely paid. Duncan seconded. The motion carried.

Reed presented the Past Due Forfeiture Report. Chairman Smith called for questions and/or discussion. Oudin questioned inclusion of certain forfeitures listed on the spreadsheet provided that indicated due dates prior to August. Reed advised that he had provided the information in spreadsheet format for ease of reference. He further explained that the spreadsheet provided had been prepared last Friday and he had failed to revise it to reflect only those forfeitures indicated by the written format report. He advised that to his knowledge the forfeitures referenced by Mr. Oudin had actually be satisfied and were erroneously included in the spreadsheet format report. He apologized for the incorrect information and pledged to see that only correct information is provided.

Reed requested the Board authorize a claim against the security deposit of Will Oliver/Liz Frawley Bail Bonds, Inc. to satisfy those forfeiture judgments which are past due based on the fact that the company is no longer operating and the license has been suspended. Oudin inquired as to whether the company was "working their forfeitures." Reed replied that there is confusion regarding what constitutes "bail bond business" and what actions an agent and/or company can legally take when the agent/company is suspended. Reed requested the Board's input concerning establishing guidelines on what actions can be taken by the agent/company in these situations to prevent forfeitures from occurring due to the fact that no one can transact "bail bond business"

during a suspension. Reed further advised guidelines concerning permissible acts be incorporated into the Rules & Regulations. There being no further discussion, Carruth moved that the Board make claim on the security deposit of Will Oliver/Liz Frawley Bail Bonds, Inc. for the purpose of satisfying those judgments presented which are due and payable. Sturgeon seconded. The motion carried.

**Bud Dennis Bonding Co., Inc.:**

Reed presented a proposed letter providing an accounting of disbursements of funds by the Board from of the proceeds of the Letter of Credit posted by Bud Dennis Bonding Co., Inc.. The letter was prepared in response to an inquiry from an attorney representing Gary and Colleen Morris, principles of Bud Dennis Bonding Co., Inc. Reed explained he had not sent the letter because he wanted the Board's input concerning whether those funds which were currently on deposit in the state treasury and which had not yet been disbursed could be placed into either a certificate of deposit or letter of credit to the Dennis' account in order that they receive the benefit of interest which could be drawn if the funds were on deposit with a financial institution. Various board members expressed concern that the funds should not be returned to the company owners until such time as the statutory requirements concerning return of the security deposit had been met.

Reed assured the Board he had not proposed releasing the remaining funds to the Dennis', only that he had proposed depositing the funds in such a way that the Dennis' received benefit of interest that could be earned. After discussion between the Board, the Executive Director, and members of the audience, it was determined that the funds deposited with the State treasury would remain on deposit until such time as the statutory requirements for return of the security deposit are fulfilled. Reed advised he would revise the letter to reflect that fact.

**A. Jeffries Bonding Company:**

Reed provided the Board a memo advising the Board that A. Jeffries Bail Bond Company had been a sole proprietorship and that the license issued expired upon Mr. Jeffries death. Therefore, there can be no transfer of the company license to Ms. Jeffries or anyone else. Reed advised that the company license had been suspended as of July 26, 2004 based on the foregoing. He further advised that it was his understanding that Ms. Jeffries did not desire to have her application treated as one for a new company but he had not received any documentation requesting the application be withdrawn.

**NEW BUSINESS**

**July Vouchers Paid:**

Chairman Smith invited questions and/or discussion regarding the vouchers paid in July. There being none, the Board proceeded.

**Quarterly Reports**

The quarterly reports were submitted for informational purposes. Reed advised that there was no report provided for Will Oliver/Liz Frawley Bail Bonds, Inc. because he had granted a thirty (30) day extension based on a written request and his determination of good cause shown. An inquiry was made as to whether an extension had also been granted with regard to the quarterly report required by the Insurance Department. Reed advised it was his understanding that the Insurance Department had required the report be filed and payment made and that that had been done. He stated it was the Insurance Department decision to grant or deny an extension and that the Board had no authority to grant an such an extension relative to the report required by the Insurance Department.

### **Transfer Procedure & Policy**

Reed advised that it appeared there was confusion over the proper procedures and policy regarding approval of license transfers. A memo was presented outlining the issues and his conclusions regarding the proper policy and procedure. Reed stated that the only reference to a transfer in the statutes and/or rules and regulations was found at Ark. Code Ann. §17-19-202(d)(4) (2001 Repl) which provides that “[a]ny agent that transfers his license from one professional bail bond company to another shall pay a transfer fee of two hundred fifty dollars (\$250) to the board.” Therefore, it was his conclusion that the occasion of a transfer was an administrative function rather than a discretionary function at which the agent’s license status could be affected.

Reed stated his opinion regarding the proper procedure was that the transfer should be granted and, if the company had a complaint against the agent that rose to the level of a violation of the statutes and/or rules and regulations the company should put the complaint in written form and submit it to the Board where it would be investigated and brought before the Board if the allegations were founded.

There was considerable discussion and differences of opinion regarding many of the issues raised by both company owners and agents. It was determined that Reed should further research the matter and develop procedures and policy regarding transfers for presentation at the September board meeting.

### **In the Matter of James Houston, APBBLB #02-001**

Reed advised a continuance had been requested and that he had granted the continuance. He stated that upon the grant of the continuance he had received notice from Mr. Houston’s attorney, Stuart Vess, that he had a scheduling conflict and had a trial scheduled on the date of the September board meeting and requested a continuance to October. Reed advised Mr. Vess he had granted the first one on his own initiative but would present the second continuance request to the Board. After discussion, it was determined the matter would be left on the agenda for the September board meeting and could be addressed if the conflict did not work itself out as the date neared.

### **Hearings**

Reed advised that the following hearings were continued for various reasons:

In the Matter of: Darrick Handy/Renny’s Bail Bond Co., Inc., APBBLB #03-026

In the Matter of: Will Oliver/Liz Frawley Bail Bonds, Inc., APBBLB #04-012

### **Public Comments:**

Chairman Smith asked for Public Comments. Vickie Matthews rose to state she had not received an answer and to request an answer to the question she had posed during the discussion of transfer policy as to whether her license had been legally or illegally denied during her transfer request in 2003. She was advised that the answer could not be provided in this forum because it called for a legal conclusion and that she should consult an attorney and to pursue any legal remedies she might have.

Tom Nickolich rose to speak to the issue of Will Oliver’s license. He was asked not to address any matter that is currently pending before the Board. Mr. Nickolich raised an issue regarding the Board’s approval of Ron Oliver’s purchase of Will Oliver’s interest in Will Oliver/Liz Frawley Bail Bonds, Inc. and stated that there was a scheme going on to allow these company owners to escape liability for their actions. There was discussion regarding the issue and Mr. Nickolich was

advised he should file a complaint with the Board if he felt it necessary. He advised that he would file a complaint against Ron Oliver, Will Oliver and Liz Frawley..

There being no further discussion, the Board recessed to hearing the Matter of J&J Bonding, Inc.

Submitted for approval:

This 10th day of September, 2004 \_\_\_\_\_  
Don Smith, Chairman